mind if I call on him immediately and ask him to consume as much time as he needs.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Madam President, let me thank first the Senator from North Dakota for his very kind remarks and for yielding to me immediately, because I do have a committee that I need to get back to.

I have come to the floor every time I have had an opportunity for the past 23 years to express my moral and vocal support for legislation that has any potential for curbing drunken driving.

I grew up in a devout Methodist household where, in a small town, drinking was absolutely forbidden. Everybody in town knew who drank. We didn't have anything but Presbyterians, Catholics, Methodists, and Baptists. The Catholics drank wine. We could not have wine at communion in the Methodist Church because the Methodist Church was adamantly opposed to any alcoholic beverage. So we drank grape juice at communion. But my mother, considering the fact, as I have said many times on this floor, that I grew up in a household where we were taught that when we died we were going to Franklin Roosevelt. My mother and my father thought he was the greatest man who ever lived. But my mother could not abide Eleanor Roosevelt because she had been accused—I am not sure, according to Doris Kearns' book, ''No Ordinary Time,'' what the real circumstances were. But, anyway, it was a widely held belief in this country that Eleanor Roosevelt had told young women how not to drink too much, which was, if you drink, you only have one drink, or drink in moderation. That was more than my mother could abide. She detested Eleanor Roosevelt until her dying day.

The interesting thing about growing up poor in the South in those days was, as I say, most people couldn't afford to drink, even if they wanted to. But my mother and father, until the day they died, never—either one—tasted alcohol in any form.

So it was on March 22nd. I was a freshman law student at Northwestern University in Chicago. One Sunday evening somebody came in—there was a telephone booth down the hall in the dormitory—and said, ''Dale, somebody wants to talk to you. It is long distance.'' I went down. My sister's brother-in-law was on the phone saying my mother and father had been in an accident and he thought I should come home. He described it for me, and still it didn't really sink in. But, in any event, that was about 7 or 8 o'clock in the evening. I made arrangements to fly home the next morning. That was back when air traffic was almost nonexistent.

But the sum and substance of the story, Madam President, was my mother and father and another couple had been out on a Sunday evening jaunt and had gone over to Oklahoma to look at the spinach crop on some land that my father owned. They were returning about dusk on a narrow, two-lane highway where I–40 runs today.

So this drunk comes roaring over, sliding into my father's side of the road. And that is the end of the story. The woman, who was a friend, was killed instantly. My mother and father were taken to the hospital in Fort Smith, where my mother died 2 days later and my father died 6 days later.

The interesting thing about that whole thing is—you can think of all kinds of interesting sidelights to a story like that—that the man who hit them had been run out of town in a small town. I believe it was Danville, AR. The sheriff told him to get out of town. He was drunk. So I don't know where he was heading. Some people said he was heading for California. And the State Police picked him up on the way. They didn't pick him up. They saw that he was drunk. The State trooper started chasing him, had a flat, and had to give up the chase.

So here was a family as close as any family could be. Interestingly, my brother was himself in law school at Harvard. I believe he was a classmate of Senator CHAFEE. He was a sophomore at Harvard Law School. They didn't have semesters like they did at Northwestern. This was in March. Of course, he had to drop out of school. We both dropped out of school because we were so devastated. He lost the whole year and had to go back and take the whole year over because he was not there for final exams.

I am taking up too much time, I see. I just want to say that ever since that tragedy happened in my household, I have done everything I could do, both here and as Governor of my State, to make sure other families were not devastated in such a way. I had always been opposed to the death penalty before that happened, and I had a tough time after that reconciling my position. I came down on the side of the death penalty later on because I couldn't make much of a distinction between a drunk driver killing my father and mother than I could if he had done it with a gun.

When I have a chance to vote for an amendment like Senator DORGAN's, it is a pleasure. I compliment him for doing something that may—just may; no, it will—keep a lot of families from enduring the agonies that this close family, as close knit as any family ever, endured being totally destroyed in the blinking of an eye because of a roaring drunk.

I am pleased that the Senator from North Dakota has asked me to come over and speak on it. It is my honor.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER (Mr. ENZI). The Chair recognizes the majority leader.

Mr. LOTT. Mr. President, I believe we have scheduled two more votes at approximately 10:30. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LOTT. Mr. President, I would like to use leader time just to make reference to the Budget Office report. I will use my leader time to make some brief remarks. I believe Senator DOMENICI, chairman of the Budget Committee, will want to respond also.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

THE PRESIDENT'S BUDGET

Mr. LOTT. Mr. President, yesterday the Congressional Budget Office delivered its preliminary report on the President's budget proposal. The news is both astonishing and disappointing. It raises the most serious questions about the President's credibility when dealing with the budget.

Five weeks ago, in his State of the Union address, the President made a promise to the American people. I want to quote from his speech. The President asked and answered a very important question. He said:

> What should we do with this projected surplus? I have a simple, four-word answer: Save Social Security first.

I thought to myself, that sounded like a pretty good idea. But that's not what the President's budget does. The President's budget spends $43 billion of the projected future surpluses.

I invite my colleagues to look at the CBO report. It is right on page 1 of that report:

> The policies outlined in the President's budget will decrease the surplus in each year from 1999 through 2003.

While the President says he wants to save Social Security first, instead, his budget spends the surplus first. Mr. President, what ever happened to preserving 100 percent of the surplus for this purpose? To me, 100 percent means reserving all of it, not all of it except $43 billion that you want to spend. What happened to saving ''every penny of any surplus until we have taken all the necessary measures to strengthen Social Security?'' Does every penny mean every penny except $43 billion?

There is some other bad news in this report as well. I will let the chairman of the Budget Committee provide more detail, but I want to give just two highlights. The President's budget spends so much money that it goes into the red in the year 2000. That's right, after all of our hard work last year to balance the budget, and with a lot of help from a growing, booming economy, the President now proposes to send us back into deficits again that soon. If you are following along in the CBO report, that, too, is on page 1 as well. We have not gotten into the rest of it. That is really a depressing thought to me. It took us almost 30 years to get big Government on the wagon, so to speak, and now the President wants us to steer back to the saloon for one more round of spending.

There is one more point that means a lot to people around here. A critical part of last year's bipartisan budget agreement, which the Speaker and I forged with the cooperation of Democrats and the President, was the creation of caps on discretionary spending. CBO tells us that the President's budget will break those caps by $68 billion over the next 5 years. What good is a budget agreement if the President immediately proposes to violate it? What good is balancing the budget if the President proposes to spend his way back into deficit? And, most important, what good is it to promise that you are going to save Social Security first, when the budget you propose redirects $43 billion of that goal? The President sent us a budget 6 days after his promise to save Social Security first. It took only 6 days for that to fall by the wayside. I have to ask the question, what's next, Mr. President?

I yield the floor and I yield 3 minutes of my leader time to the chairman of the Budget Committee.

Mr. DOMENICI. I will not add much. I ask unanimous consent the preliminary report in its entirety—it's not very long—be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[From the Congressional Budget Office, Mar. 4, 1998]

AN ANALYSIS OF THE PRESIDENT'S BUDGETARY PROPOSALS FOR FISCAL YEAR 1999—PRELIMINARY REPORT

As requested by the Senate Committee on Appropriations, the Congressional Budget Office (CBO) has estimated the effects of the President's budget proposals for fiscal year 1999 using its own economic and technical assumptions. CBO estimates that the President's policies will reduce projected baseline surpluses by $43 billion between 1999 and 2003—and will temporarily dip the budget back into red ink by a small amount in 2000. Nonetheless, the overall picture is one of continuing surpluses through 2003.

Yet the good news embodied in the projections by both CBO and the Office of Management and Budget could easily be reversed. If revenue growth this year is just one-half of one percent lower than expected the budget could remain in deficit. Alternatively, continued robust economic growth could push up estimated surpluses. In any case, deficits or surpluses over the next several years that differ from current projections by upwards of $100 billion are entirely possible.

THE PRESIDENT'S BUDGETARY POLICIES

CBO estimates that, compared with its baseline projections, the policies outlined in the President's budget will decrease the surplus in each year from 1999 through 2003. CBO also expects that surpluses under those policies will actually turn out to be lower than projected by the Administration. Nevertheless, the President's budget is estimated to produce a $42 billion surplus in 2003.

CBO's Estimates of the President's Policy Proposals

The President's plan would reduce the surpluses projected by CBO under current policies by $43 billion over the 1999–2003 period (see Table 1). In 1998, though, the President's proposals would increase the surplus by nearly $1 billion.

The President's budget was designed to offset increases in spending for some programs with increases in revenues and decreases in spending for other programs. However, CBO estimates that net increases in spending will exceed additional revenues by between $5 billion and $16 billion a year.

Under the President's proposals, total revenues would exceed the CBO baseline by $12 billion in 1999 and $18 billion by 2003. The budget proposes about $24 billion in cumulative tax reductions through 2003 (such as an increase in the child and dependent care tax credit), which are offset by revenue increases of $26 billion (for example, repealing the ability of certain multinational firms to expand their use of foreign tax credits and thereby decrease their federal tax payments). The net boost in revenues stems mostly from assumed new revenues from tobacco companies totaling $65 billion through 2003. The budget, however, does not specify the policies that might be implemented to raise that $65 billion. Because there are a number of ways to achieve that end, the Joint Committee on Taxation, which estimates the effects of proposed changes to the tax code, simply accepted the Administration's totals.

CBO estimates that the increases in spending proposed in the President's budget will outstrip the revenues intended to covert the new programs. In particular, CBO estimates that discretionary spending proposed by the President will increase outlays above CBO's baseline by $90 billion from 1999 through 2003, and proposals related to mandatory programs will boost outlays by $28 billion over the same period. In total, the President's proposals would increase spending by $118 billion over five years (not including additional debt-service costs).

Under the President's policies, discretionary outlays would rise from $558 billion in 1998 to $573 billion in 1999—$12 billion above the statutory caps on such spending (see Table 2). Such spending would continue to grow in the President's budget, reaching $598 billion in 2003. Total revenues and outlays would each be around $2 trillion by 2003, representing about 19 percent of gross domestic product (GDP).

Among the Administration's initiatives for mandatory spending are proposals to allow certain groups of people who do not currently have access to employer- or government-sponsored health insurance to purchase Medicare coverage. Although CBO makes somewhat different assumptions about participation rates and costs per person than the Administration does, it generally concurs with the Administration's estimate that the provisions would have a small net budgetary impact. Net costs to the federal government would be held down by the high cost of the specified premiums and the stringency of the eligibility criteria, both of which severely limit the number of people who are likely to take advantage of the proposals.

Although the hike in net spending resulting from the President's proposals reduces projected baseline surpluses, the budget is still expected to remain essentially in surplus through 2003 under the President's policies. From an expected level of $8 billion in 1998; the surplus is projected to rise to $51 billion in 2002 before falling in 2003.

CBO's Estimate Compared with Those of the Administration

Although the pattern in the bottom line suggested by CBO's analysis of the President's budget is roughly similar to that estimated by the Administration, the surpluses that CBO projects are smaller. In addition, CBO estimates a small deficit in 2002. The Administration had projected that by 2003 the surplus would reach $83 billion, whereas CBO's estimate of the surplus in that year is about half that size (see Table 3).

Variations between CBO and the Administration in estimating the deficit or surplus arise from baseline differences as well as differences in estimates of the effect of the President's policy proposals. In 1999 and 2000, variations in policy estimates are larger; however, from 2001 through 2003, baseline differences account for the major share of the discrepancy in the two projections.

Baseline Differences. The greatest differences between the two sets of current-policy projections are on the outlay side. The largest of those differences is in estimates of Medicare spending. The Administration expects that total outlays for Medicare over the next six years (including premiums paid to the government by Medicare beneficiaries) will be $50 billion lower than CBO projects, largely because the Administration believes that policies enacted in last year's Balanced Budget Act will produce more savings than CBO had estimated. Indeed, Medicare alone accounts for around half of each year's difference in projected baseline outlays.

In addition, higher projections by CBO of inflation compared with those of the Administration push up estimates of spending for programs affected by cost-of-living increases (such as Social Security and Civil Service Retirement). Moreover, higher estimated unemployment and interest rates boost spending on unemployment insurance and net interest on the public debt, respectively. Overall, though, the Administration's assumptions about the performance of the economy over the next six years are not very different from CBO's (see Table 4).

In 1998, CBO's estimate of revenues is significantly higher than that of the Administration, mostly as a result of technical estimating differences. From 1999 through 2003, however, differences between CBO's and the Administration's revenue estimates under current policies are relatively small.

Differences in Policy Estimates. Almost all of the differences in policy estimates relate to the outlay side of the budget—and mostly to discretionary spending. CBO estimates that annual outlays for defense spending and subsidized housing, among other discretionary programs, will be higher under the President's proposed levels of funding than the Administration has estimated.

The major difference in mandatory outlays comes from the savings produced by repealing the recent ruling of the Department of Veterans Affairs that nicotine dependence can be considered a service-related disease for purposes of compensation. The Administration estimates that costs over the 1999–2003 period will be $7 billion higher than CBO projects under current policies and therefore claims $7 billion more in savings from repealing the decision.

CBO'S REVISED BASELINE

In the course of preparing its annual analysis of the President's budget, CBO typically updates its baseline projections to take account of new information from the President's budget and other sources. The revised March projections then usually become the baseline for the budget resolution.

CBO's new March projections are not materially different from those issued in its January 1998 report, The Economic and Budget Outlook: Fiscal Years 1999–2008. The only major change since January is an increase in revenues from 1998 through 2000 to reflect more rapid inflows into the Treasury than either CBO or the Administration had anticipated (see Table 5). That change, however, is enough to shift CBO's projections from small annual deficits to small annual surpluses during those years. CBO expects that the budget surplus for this year will be nearly $8 billion. Assuming that current policies do not change and that the economy stays on the anticipated course, surpluses are projected to rise eventually to $138 billion in 2008.

Both federal spending and revenues are expected to total around $1.7 trillion this year—or approximately 20 percent of GDP. Under CBO's baseline assumptions, projected outlays as a percentage of GDP fall gradually to 18.3 percent by 2008. Revenues decline to 19.3 percent of GDP by 2003 and remain at that level through 2008 (see Table 6).

TABLE 1.—CBO ESTIMATES OF THE EFFECT ON THE SURPLUS OR DEFICIT OF THE PRESIDENT'S BUDGETARY POLICIES

[By fiscal year, in billions of dollars]

	1998	1999	2000	2001	2002	2003	Total 1999–2003
CBO Surplus Projections	8	9	1	13	67	53	NA
Effect on the Surplus of the President's Budgetary Policies							
Revenues:							
Tobacco-related	0	10	12	13	15	16	65
Other	([a])	2	3	3	3	2	14
Subtotal	([a])	12	15	17	18	18	80
Outlays:							
Discretionary	([a])	−12	−15	−15	−27	−22	−90
Mandatory:							
Tobacco-related activities	0	−3	−4	−5	−5	−5	−22
Reduce class size in schools	0	([a])	−1	−1	−1	−2	−5
Repeal VA smoking decision	0	([a])	1	2	3	4	10
Other	1	−2	−2	−3	−2	−2	−10
Subtotal	1	−5	−6	−6	−6	−5	−28
Total Outlays	1	−17	−20	−21	−32	−27	−118
Total Effect of Policies	1	−5	−5	−4	−14	−9	−38
Debt Service	([a])	([a])	([a])	−1	−1	−2	−4
Total Effect on the Surplus	1	−5	−6	−5	−16	−11	−43
Surplus or Deficit (−) Under the President's Budgetary Policies as Estimated by CBO	8	4	−5	8	51	42	NA

[a] Less than $500 million.
Notes: Numbers in the table may not add to totals because of rounding. VA=Department of Veterans Affairs; NA=not applicable.
Sources: Congressional Budget Office; Joint Committee on Taxation.

TABLE 2.—CBO ESTIMATES OF THE PRESIDENT'S BUDGETARY POLICIES

[By fiscal year]

	1998	1999	2000	2001	2002	2003
			In Billions of Dollars			
Revenues	1,680	1,751	1,799	1,863	1,948	2,026
Outlays:						
Discretionary:						
Defense	269	270	273	272	280	290
Nondefense	288	303	306	307	307	308
Subtotal	558	573	580	579	587	598
Mandatory:						
Social Security	376	392	409	428	449	471
Medicare	197	208	219	240	246	271
Medicaid	101	108	115	122	131	141
Other	277	301	325	342	357	374
Subtotal	951	1,009	1,067	1,132	1,183	1,257
Offsetting Receipts	−82	−83	−87	−92	−105	−98
Net Interest	245	247	243	237	231	227
Total	1,671	1,747	1,803	1,855	1,897	1,983
Surplus or Deficit (−)	8	4	−5	8	51	42
			As a Percentage of Gross Domestic Product			
Revenues	20.1	20.1	19.8	19.6	19.6	19.5
Outlays:						
Discretionary:						
Defense	3.2	3.1	3.0	2.9	2.8	2.8
Nondefense	3.4	3.5	3.4	3.2	3.1	3.0
Subtotal	6.7	6.6	6.4	6.1	5.9	5.7
Mandatory:						
Social Security	4.5	4.5	4.5	4.5	4.5	4.5
Medicare	2.4	2.4	2.4	2.5	2.5	2.6
Medicaid	1.2	1.2	1.3	1.3	1.3	1.4
Other	3.3	3.5	3.6	3.6	3.6	3.6
Subtotal	11.4	11.6	11.7	11.9	11.9	12.1
Offsetting Receipts	−1.0	−1.0	−1.0	−1.0	−1.1	−0.9
Net Interest	2.9	2.8	2.7	2.5	2.3	2.3
Total	20.0	20.0	19.8	19.5	19.1	19.1
Surplus or Deficit (−)	0.1	([a])	([a])	0.1	0.5	0.4
Memorandum: Gross Domestic Product	8,369	8,729	9.097	9,499	9,933	10,405

([a]) Less than 0.05 percent.
Source: Congressional Budget Office.
Note: Numbers in the table may not add to totals because of rounding.

TABLE 3.—CBO REESTIMATES OF THE PRESIDENT'S BUDGETARY POLICIES

[By fiscal year, in billions of dollars]

	1998	1999	2000	2001	2002	2003
Deficit (−) or Surplus Under the President's Budgetary Policies as Estimated by the Administration	−10	10	9	28	90	83
	Baseline Differences					
Revenues	22	9	5	1	−1	−2
Outlays:						
Discretionary	5	(a)	−1	−1	−1	2
Mandatory	−1	6	9	16	23	31
Subtotal	4	6	9	15	23	34
Total Baseline Differences	18	3	−4	−15	−24	−36
	Differences in Estimates of Proposed Policies					
Revenues	(a)	−1	(a)	(a)	−1	−1
Outlays:						
Discretionary	(a)	7	7	4	11	(a)
Mandatory	−1	1	3	1	4	4
Subtotal	−1	8	10	6	15	4
Total Policy Differences	1	−9	−9	−6	−15	−5
	All Estimating Differences					
Total Differences	18	−6	−13	−20	−39	−41
Deficit (−) or Surplus Under the President's Budgetary Policies as Estimated by CBO	8	4	−5	8	51	42

(a) Less than $500 million.
Note: Numbers in the table may not add to totals because of rounding.
Source: Congressional Budget Office.

TABLE 4.—COMPARISON OF CBO AND ADMINISTRATION ECONOMIC PROJECTIONS, CALENDAR YEARS 1998–2003

	Forecast		Projected			
	1998	1999	2000	2001	2002	2003
Nominal GDP:	In billions of dollars					
CBO	8,461	8,818	9,195	9,605	10,046	10,529
Administration	8,430	8,772	9,142	9,547	9,993	10,454
Nominal GDP:	Percentage change					
CBO	4.7	4.2	4.3	4.5	4.6	4.8
Administration	4.3	4.1	4.2	4.4	4.7	4.6
Real GDP:						
CBO	2.7	2.0	1.9	2.0	2.1	2.3
Administration	2.4	2.0	2.0	2.2	2.4	2.4
Implicit GDP Deflator: [a]						
CBO	2.0	2.2	2.3	2.4	2.4	2.5
Administration	1.9	2.0	2.2	2.2	2.2	2.2
Consumer Price Index: [b]						
CBO	2.2	2.5	2.7	2.8	2.8	2.8
Administration	2.1	2.2	2.3	2.3	2.3	2.3
Unemployment Rate:	Percent					
CBO	4.8	5.1	5.4	5.6	5.8	5.9
Administration	4.9	5.1	5.3	5.4	5.4	5.4
Three-Month Treasury:	Bill Rate (Percent)					
CBO	5.3	5.2	4.8	4.7	4.7	4.7
Administration	5.0	4.9	4.8	4.7	4.7	4.7
Ten-Year Treasury:	Note Rate (Percent)					
CBO	6.0	6.1	6.0	5.9	5.9	5.9
Administration	5.9	5.8	5.8	5.7	5.7	5.7
Taxable Income: [c]	In billions of dollars					
CBO	6,688	6,906	7,147	7,426	7,732	8,080
Administration	6,670	6,920	7,188	7,474	7,798	8,132

[a] The ratio of nominal GDP to real GDP.
[b] The consumer price index for all urban consumers.
[c] Taxable personal income plus corporate profits before tax.

Note: Percentage change is year over year.
Sources: Congressional Budget Office; Office of Management and Budget.

TABLE 5.—CHANGES IN CBO BASELINE DEFICITS OR SURPLUSES SINCE JANUARY 1998

[By fiscal year, in billions of dollars]

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
January 1998 Baseline Deficit (−) or Surplus	−5	−2	−3	14	69	54	71	75	115	129	138
Technical Changes:											
Revenues	15	10	5	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Outlays:											
Discretionary	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Mandatory	(a)	(a)	1	2	4	1	2	1	(a)	(a)	(a)
Net interest	1	(a)	−1	−1	−1	−1	−1	(a)	(a)	(a)	(a)
Subtotal	2	−1	(a)	1	3	1	1	1	(a)	(a)	(a)
Total Technical Changes	13	11	5	−1	−3	−1	−1	−1	(a)	(a)	(a)
March 1998 Baseline Surplus	8	9	1	13	67	53	70	75	115	130	138

[a] Less than $500 million.
Note: Numbers in the table may not add to totals because of rounding.
Source: Congressional Budget Office.

TABLE 6.—CBO REVISED BASELINE PROJECTIONS

[By fiscal year]

	Actual 1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:	In Billions of Dollars											
Individual income	737	783	792	810	840	886	922	974	1,027	1,083	1,143	1,207
Corporate income	182	197	200	200	200	203	209	216	224	232	241	250
Social insurance	539	573	600	625	651	679	710	743	781	817	856	892
Other	120	127	147	149	155	161	167	173	177	181	187	191
Total	1,579	1,680	1,738	1,784	1,847	1,930	2,008	2,105	2,208	2,314	2,426	2,540
Outlays:												
Discretionary [a]	548	558	561	565	564	560	576	592	609	626	643	661
Mandatory:												
Social Security	362	376	391	409	428	449	471	495	522	551	582	614

TABLE 6.—CBO REVISED BASELINE PROJECTIONS—Continued

[By fiscal year]

	Actual 1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Medicare	208	218	231	244	268	277	306	330	367	377	417	448
Medicaid	96	101	108	115	123	131	141	152	165	179	194	210
Other	231	257	273	293	305	319	332	344	362	370	378	399
Subtotal	896	951	1,004	1,060	1,123	1,176	1,250	1,322	1,417	1,477	1,570	1,672
Net interest	244	245	247	243	237	230	226	221	215	209	202	194
Offsetting receipts	−87	−82	−82	−85	−91	−103	−97	−101	−107	−113	−119	−126
Total	1,601	1,672	1,730	1,782	1,833	1,863	1,954	2,035	2,134	2,199	2,297	2,402
Deficit (−) or Surplus	−22	8	9	1	13	67	53	70	75	115	130	138
Memorandum:												
On-budget Deficit (−) or Surplus	−103	−92	−104	−121	−117	−72	−94	−88	−96	−64	−59	−59
Debt Held by the Public	3,771	3,774	3,781	3,793	3,795	3,743	3,706	3,651	3,591	3,491	3,375	3,251
Revenues:	As a Percentage of Gross Domestic Product											
Individual income	9.3	9.4	9.1	8.9	8.8	8.9	8.9	8.9	9.0	9.0	9.1	9.2
Corporate income	2.3	2.4	2.3	2.2	2.1	2.0	2.0	2.0	2.0	1.9	1.9	1.9
Social insurance	6.8	6.8	6.9	6.9	6.9	6.8	6.8	6.8	6.8	6.8	6.8	6.8
Other	1.5	1.5	1.7	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.5	1.5
Total	19.8	20.1	19.9	19.6	19.4	19.4	19.3	19.3	19.3	19.3	19.3	19.3
Outlays:												
Discretionary [a]	6.9	6.7	6.4	6.2	5.9	5.6	5.5	5.4	5.3	5.2	5.1	5.0
Mandatory:												
Social Security	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.6	4.6	4.6	4.7
Medicare	2.6	2.6	2.6	2.7	2.8	2.8	2.9	3.0	3.2	3.1	3.3	3.4
Medicaid	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.5	1.6
Other	2.9	3.1	3.1	3.2	3.2	3.2	3.2	3.2	3.2	3.1	3.0	3.0
Subtotal	11.2	11.4	11.5	11.7	11.8	11.8	12.0	12.1	12.4	12.3	12.5	12.7
Net interest	3.1	2.9	2.8	2.7	2.5	2.3	2.2	2.0	1.9	1.7	1.6	1.5
Offsetting receipts	−1.1	−1.0	−0.9	−0.9	−1.0	−1.0	−0.9	−0.9	−0.9	−0.9	−0.9	−1.0
Total	20.1	20.0	19.8	19.6	19.3	18.8	18.8	18.7	18.7	18.4	18.3	18.3
Deficit (−) or Surplus	−0.3	0.1	0.1	([b])	0.1	0.7	0.5	0.6	0.7	1.0	1.0	1.1
Memorandum:												
On-budget Deficit (−) or Surplus	−1.3	−1.1	−1.2	−1.3	−1.2	−0.7	−0.9	−0.8	−0.8	−0.5	−0.5	−0.5
Debt Held by the Public	47.3	45.1	43.3	41.7	39.9	37.7	35.6	33.5	31.4	29.2	26.9	24.8

[a] The baseline assumes that discretionary spending will equal the statutory caps on discretionary spending in 1999 through 2002 and will increase at the rate of inflation in succeeding years.
[b] Less than 0.05 percent.

Note: Numbers in the table may not add to totals because of rounding.
Source: Congressional Budget Office.

Mr. DOMENICI. Mr. President, yesterday, the Congressional Budget Office released its preliminary analysis of the President's fiscal year 1999 Budget.

Very briefly, according to the CBO analysis, the President's budget proposal would spend $43 billion of the federal surplus rather than save the money for social security as the President admonished us in his State of the Union Address.

This results from the fact that the CBO analysts found that his new proposed spending of nearly $120 billion over the next 5 years exceeds his proposed spending cuts and tax increases of $43 billion.

In other words, if Congress did nothing but abide by the agreement we reached last year, the surpluses projected by CBO would be $43 billion higher than if we adopted the President's budget proposal.

But that won't even be possible, because under the Budget Act, the President's budget could not even be considered on the floor of the Senate, because it would be out of order.

The President's budget violates the agreement reached last year by proposing to break the statutory spending caps by $68 billion, making it out of order in the U.S. Senate.

Further, CBO found that the President's budget dips us back into deficit in the year 2000.

This is disappointing. But even if the administration proposes to break our agreement from last year, I do not.

It is my intent to have the Senate Budget Committee report within the next two weeks a budget for fiscal year 1999 that will: (1) abide by the spending caps set in law last year, (2) balance the budget and keep it in balance, (3) hold any budget surpluses in reserve to protect Social Security and provide for any future transition to a modernized system.

Mr. President, let me make it very simple in this regard. If we did nothing, in other words if the President had not submitted a budget and we just said let's continue with the policies that we have that were established in this bipartisan agreement, the Congressional Budget Office says the surplus would be $43 billion bigger than it is. That is the simple fact which causes them to conclude, and us to concur, that in fact the President has spent $43 billion of the surplus in his budget. It would be $43 billion higher had he not put a budget before the people, which leads you to that one simple conclusion.

Some may recall when the President announced his budget, there was a lot less noise made about it, excepting some profound questions were asked. How can you have $120 billion in new programs and not break the agreed-upon caps—that is the total amount you can spend for domestic discretionary spending—when that cap is a fixed dollar number? It has nothing to do with inflation; it is just a fixed dollar number. How can you say we will spend $120 billion, more or less, more than we had planned yet we will not exceed those agreed-upon totals?

So, what we have now, in my opinion, is a President's budget that, if it were submitted on the floor or in the Budget Committee, would be out of order because it breaches the agreed-upon caps by $68 billion. So it seems to me that we have to go into our mark-up here with that in mind. I am sure the President and his people will explain that they thought certain things could be handled differently than CBO handled them, and they are entitled to that position. But that is what we have to follow, and their rules have to be followed by us. We cannot adopt rules that the President establishes. So I believe it is important that the Senators understand the situation we are confronted with as we move in the Budget Committee and on the floor of the Senate.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island.

ORDER OF PROCEDURE

Mr. CHAFEE. Mr. President, we are going to vote at 10:30. We were scheduled to vote at 10:30. I would like to stick with that if I could. I just don't want this to get into a budget discussion here on the floor of the Senate at this particular time as we are trying to dispose of this legislation.

I do not like to cut off the Senator——

Mr. CONRAD. I ask the Senator from Rhode Island, since the other side has raised the issue, the leader has given